KPMG Consulting

PUBLIC SERVICES

FYDP Improvement
PPBES Business Process Review

5 March 2001

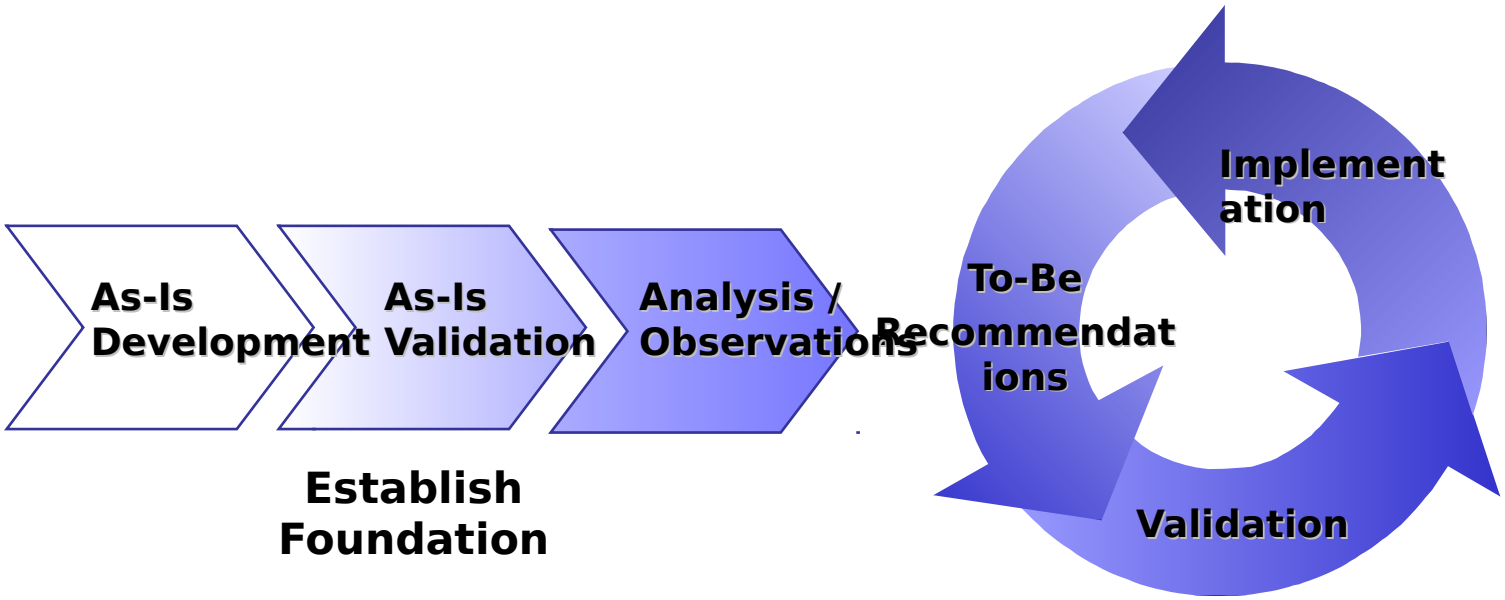
Purpose

- **Provide status of FYDP Improvement PPBES Business Process Review**
- **Present PPBES performance improvement observations and recommendations**
- **Solicit feedback and concurrence on project direction and focus areas**

Background

- **DoN FYDP Improvement Project**
  - PBIS development
  - PE Restructuring
  - Business Process Review and Analysis
    - Process perspective critical – underlies technology and other point solutions
- **Business Process Review SOW tasks**
  - Develop As-Is model of DoN PPBES process
  - Develop performance improvement recommendations
    - PBIS
    - PPBES Data warehouse
    - Decision support
    - Reporting (Internal & External)
    - Other areas

Approach

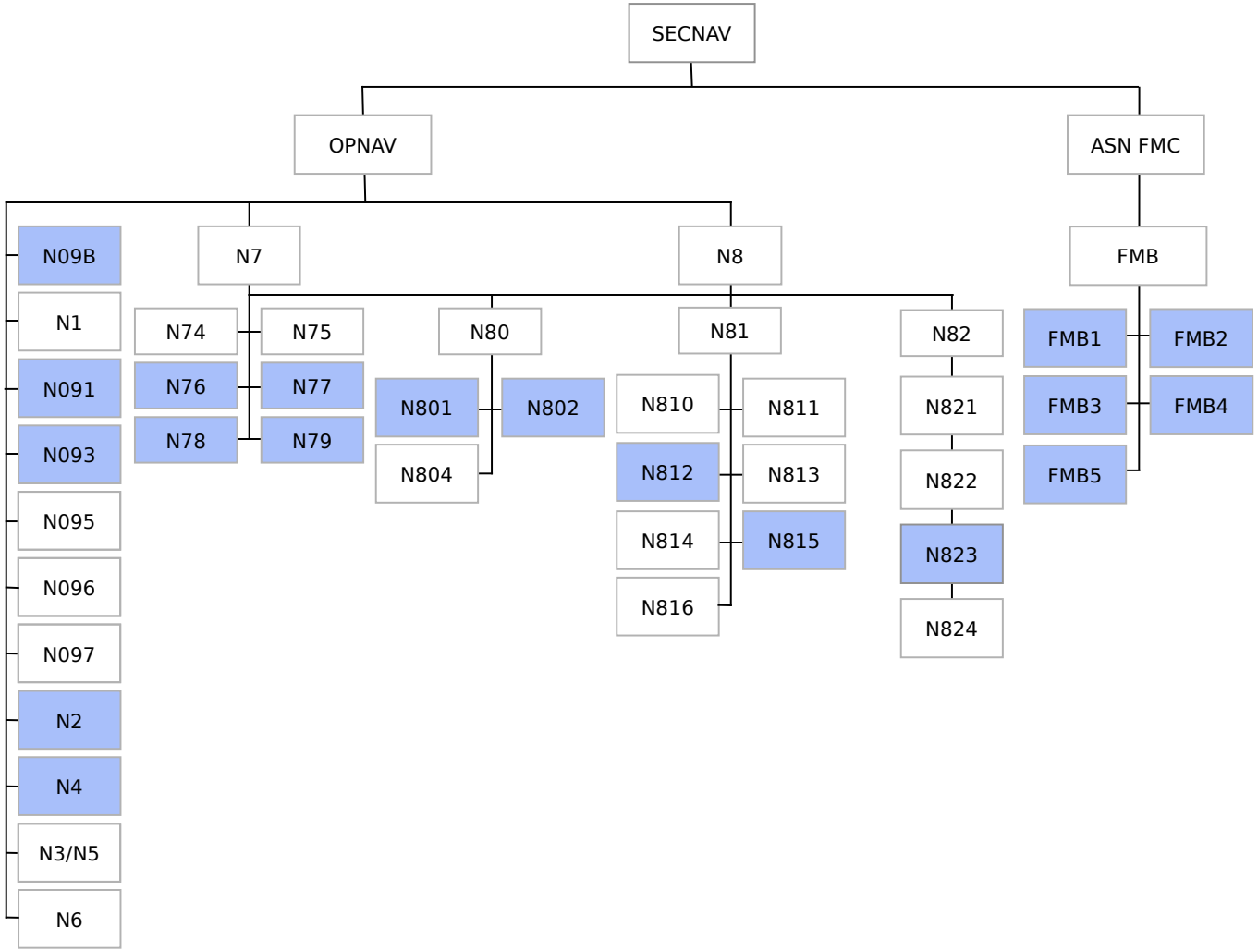


Iterative Implementation builds momentum through incremental success

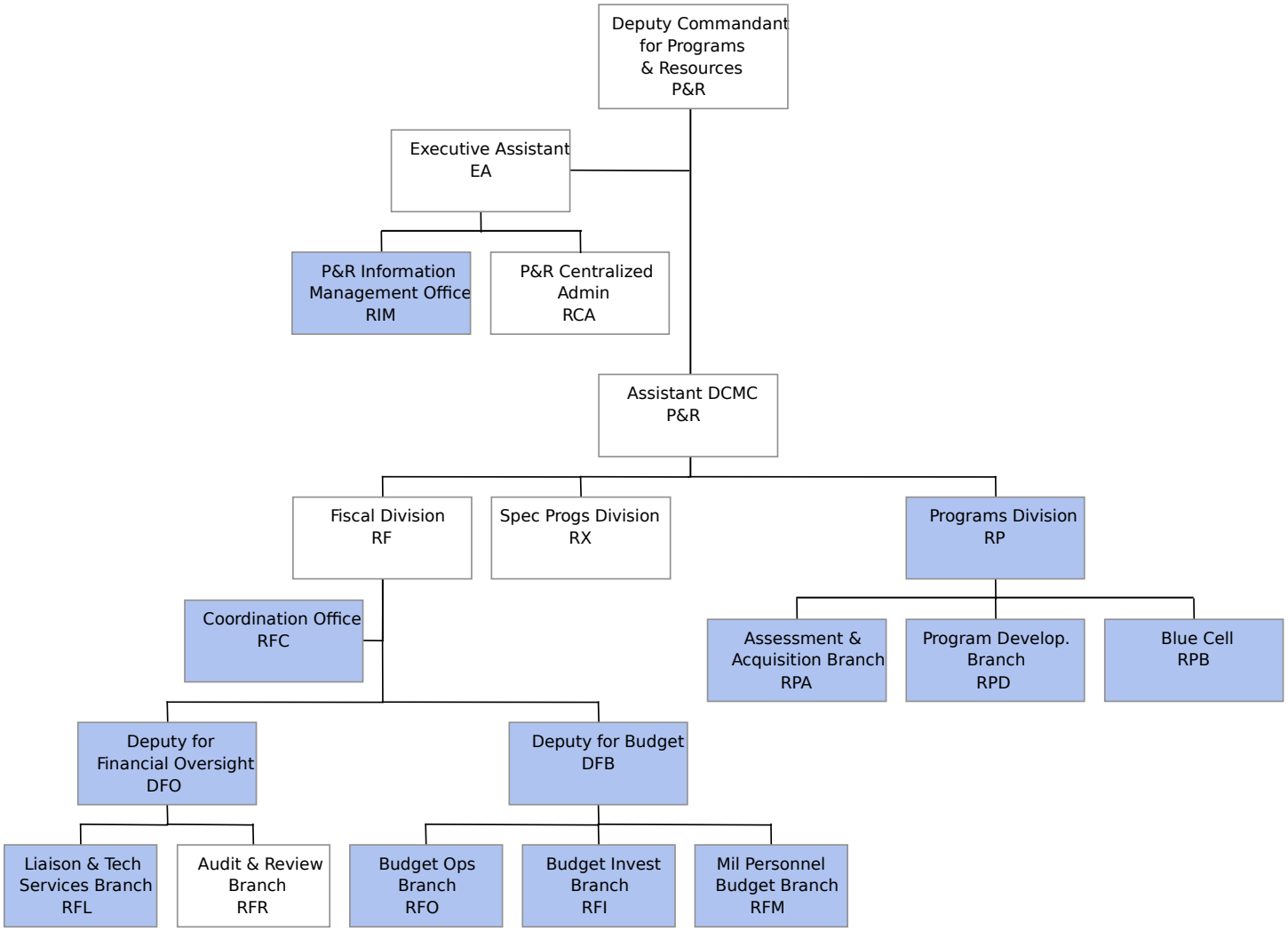
As-Is Development / Validation

- **Process modeling**
  - Top-down approach using IDEF0 methodology
  - Subject Matter Expert (SME) Interviews
    - Over 70 SMEs contacted
  - Model development / validation
    - Over 50 working group meetings
- **Information system architecture mapping**
  - High-level mapping of PPBES information systems and interfaces
- **Catalogue of performance improvement opportunities**
  - Leverage SME experience and first-hand knowledge

As-Is Development Scope (who we talked to)

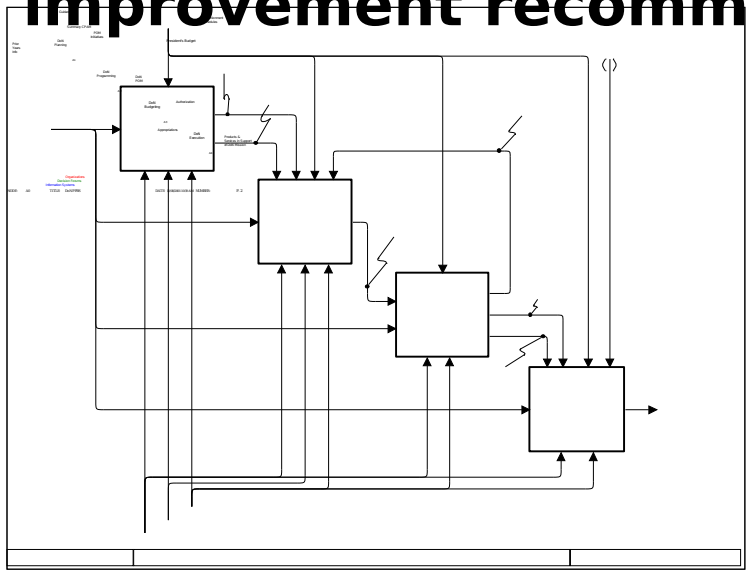


As-Is Development Scope


Deputy Commandant for Programs & Resources P&R
Executive Assistant EA
P&R Information Management Office RIM
P&R Centralized Admin RCA
Assistant DCMC P&R
Fiscal Division RF
Spec Progs Division RX
Programs Division RP
Coordination Office RFC
Assessment & Acquisition Branch RPA
Program Develop. Branch RPD
Blue Cell RPB
Deputy for Financial Oversight DFO
Deputy for Budget DFB
Liaison & Tech Services Branch RFL
Audit & Review Branch RFR
Budget Ops Branch RFO
Budget Invest Branch RFI
Mil Personnel Budget Branch RFM

Tools

- **IDEF0 is primary As-Is process modeling tool**
  - Highly structured, disciplined methodology
  - Federal Government accepted (FIPS Standard 183)
  - Flexible - able to accommodate large processes
- **As-Is model establishes baseline of existing PPBES process & provides a common understanding from which to develop performance improvement recommendations**



As-Is Process Observations

- **Business Process Review and Analysis resulted in:**
  - 43 specific observations
  - 7 major observation categories
- **Observations assessed by Importance and Feasibility**
  - Importance / Feasibility Matrix
  - Result = 19 specific observations assessed as having relatively high Importance and Feasibility
- **Recommendations based on logical groupings of 19 observations**

As-Is Process Observations (Summarized)

1. **PPBES process is large and complex**
2. **Planning, Programming, Budgeting and Execution are stovepiped resulting in redundant actions**
3. **Inconsistent data elements across Planning, Programming, Budgeting and Execution**
4. **Large number of information systems**
5. **Lack of performance measures**
6. **Large amount of detail tracked and reported**
7. **Lack of integrated data sharing and decision support tools**

As-Is Process Observations (Detailed)

1. PPBES process is large and complex
   a. Commercial strategic planning and budgeting takes between 4-6 months and involves a small core group of personnel; best practices are trending even lower - PPBES process takes 2+ years and involves very large amount of personnel
   b. **Resource Sponsors manually sort through large volumes of information during Programming. Information searches are inefficient and time consuming**
   c. There are 200+ different budget exhibits
   d. **Timing disconnects; Planning info not complete in time for Programming, Programmers using BES as opposed to PRESBUD**
   e. Length of process leads to inflexibility of budget. Additional processes must be employed (e.g. reprogramming) in order to modify budget to reflect execution realities
   f. Process takes 2+ years and personnel are still forced to make very quick decisions, cite not having enough time. Ex: Initial DoN budget build after POM submit, and responding to reclamas
   g. Navy Planning process takes too long, as information is received too late to be helpful to the Programming phase. By the time IWARs provide info to USMC, Programming is underway
   h. **There is insufficient time for claimants to accurately translate POM decisions into a budget build**

As-Is Process Observations (Detailed)

2. Planning, Programming, Budgeting and Execution are stovepiped resulting in redundant actions
   a. Planners think they do a lot of the important work, Programmers think Planners don't do anything worthwhile, Budgeters think they fix all of Programmers errors and incomplete work
   b. Existing processes support independent organizations and actions by Programming and Budgeting
   c. Semi-autonomous operations encourage revisiting of prior decisions
   d. **Same information tracked across different PPBES phases and in different systems but information is not shared**
   e. Planning collects and tracks a lot of detail in building IWARs; can this information be better used by Programming
   f. A significant amount of "re-build" occurs across the PPBES process
   g. **Claimants should be more involved in Programming and Resources Sponsors should be more involved in Budgeting**

As-Is Process Observations (Detailed)

3. Inconsistent data elements across Planning, Programming, Budgeting and Execution
   a. **PEs are used in Programming / line items are used in Budgeting**
   b. **Lack of clear "audit trail" of changes throughout Planning, Programming, and Budgeting. For example issue numbers are re-used**
   c. Spreading budget marks to PEs introduces errors
   d. WINPAT and NBTS have limited validation (of data fields) capability
   e. **There is no single reliable source of Navy PPBES data for outside reporting**
   f. **Data is hard to compare across Program and Budget databases. Example: BLIs and CLIs. The names confuse sponsors and the fields and metadata are different**
   g. Failure to effectively communicate changes (i.e. marks) between multiple owners of individual line items in NBTS creates problems

As-Is Process Observations (Detailed)

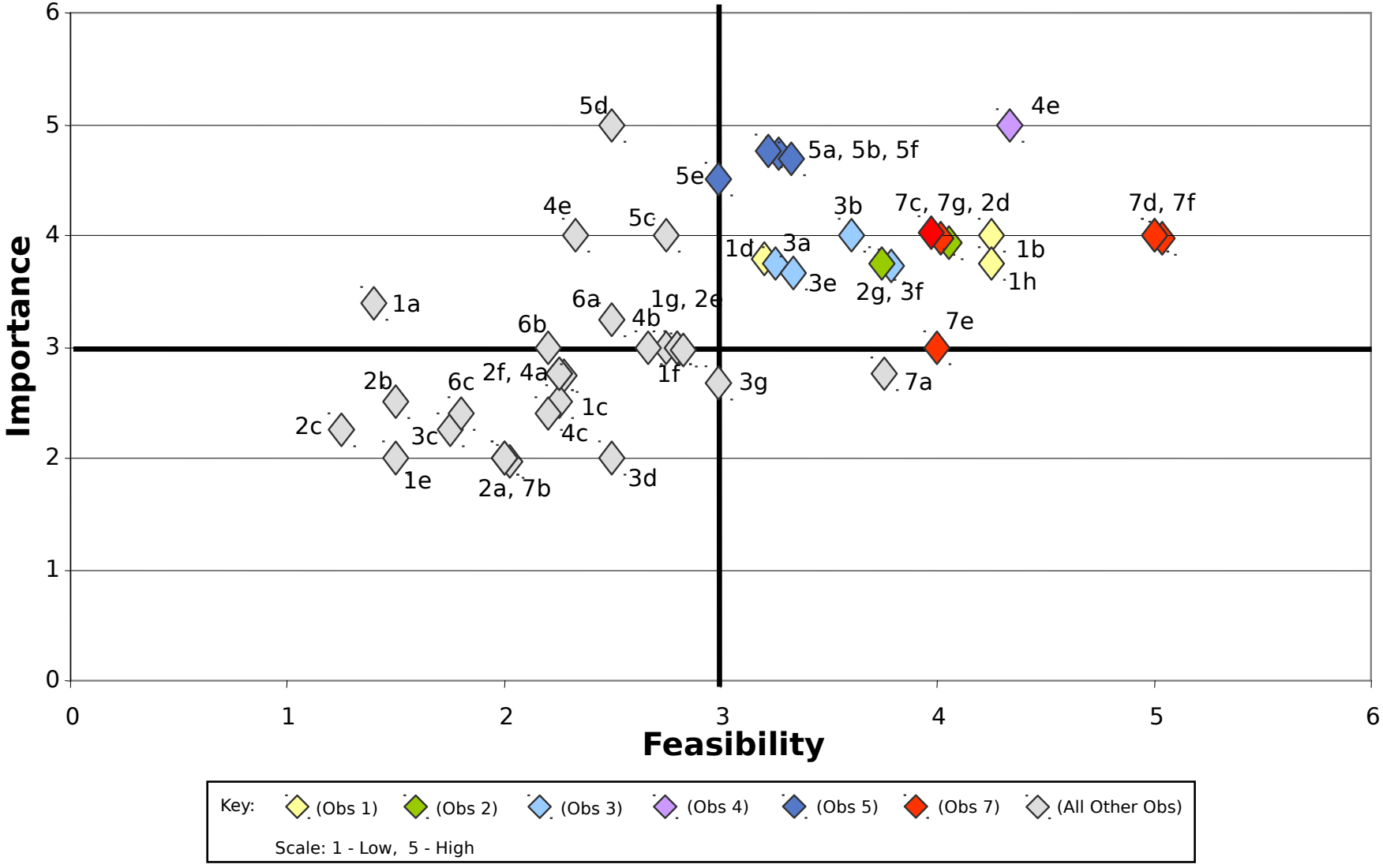
4. Large number of information systems
   a. There are at least 46 information systems being used in the PPBES process
   b. FMB uses 5 systems to collect budget info: OARS, DON IBIS, BOCS, JMS, NBTS
   c. Planning process employs information from many different sources (models, IS systems, etc)
   d. There is no corporate financial information System approach to PPBES
   e. **There is no single corporate data administration approach across PPBES**
5. Lack of performance measures
   a. **How is performance against strategic goals tracked? No apparent link to GPRA**
   b. **Performance Measurement not integrated across PPBES**
   c. PPBES system penalizes Claimants for under spending their budget, even if costs are deferred for legitimate reasons
   d. PPBES operates as an open loop vs. closed loop system. No consistent feedback to Planning, Programming and Budgeting
   e. **Does DoN Execute like they Plan, Program and Budget? If not, why spend so much time on Planning, Programming, and Budgeting**
   f. **No one checks to see if POM successfully carried out its agenda. Execution data is not used to check accuracy of Planning, Programming, and Budgeting**

As-Is Process Observations (Detailed)

6. Large amount of detail tracked and reported
   a. Who uses detail / Is it necessary? Example: R-2 budget exhibits
   b. Tracking of detail is burdensome. Example: budget exhibit level of detail
   c. Unnecessary detail in some Navy databases makes actual data less reliable and audit trails more burdensome
7. Lack of integrated data sharing and decision support tools
   a. Data in WINPAT is routinely exported to MS Excel to be manipulated and analyzed and then imported back into WINPAT
   b. Many spreadsheets are re-created year after year
   c. ***PDS input to ACTS could be facilitated by an end-to-end system**
   d. ***The TFMMS data that goes to RPD, M&RA, OSD's APPS, RFM, and RFO can be different for a variety of reasons. Manual intervention is required to ensure everyone is using the same data**
   e. **WINPAT interface with FUSE is not automated. Requires manual intervention**
   f. ***ACTS is currently used for O&MMC budget development only. Could be used for other appropriations**
   g. **Data transmitted to OSD is not sufficiently automated and requires manual interaction**

*USMC only

Observations Importance / Feasibility Matrix



Recommendations

- **Recommended areas of performance improvement focus:**
  - **Data Management**
    - 4e - There is no single corporate data administration approach across PPBES
  - **Measuring Results**
    - 5a - How is performance against strategic goals tracked? No apparent link to GPRA
    - 5b - Performance Measurement not integrated across PPBES
    - 5e - Does DoN Execute like they Plan, Program and Budget? If not, why spend so much time on Planning, Programming, and Budgeting
    - 5f - No one checks to see if POM successfully carried out its agenda. Execution data is not used to check accuracy of Planning, Programming, and Budgeting

Recommendations

- **Knowledge Management**
  - 1b - Resource Sponsors manually sort through large volumes of information during Programming. Information searches are inefficient and time consuming
  - 2d - Same information tracked across different PPBES phases and in different systems but information is not shared
  - 3e – There is no single reliable source of Navy PPBES data for outside reporting
  - 3f - Data is hard to compare across Program and Budget databases. Example: BLIs and CLIs. The names confuse sponsors and the fields and metadata are different

- **Decision Process**
  - 2g - Claimants should be more involved in Programming and Resources Sponsors should be more involved in Budgeting
  - 1h - There is insufficient time for claimants to accurately translate POM decisions into a budget build

Next Steps

- **Develop recommendations / potential solutions that address root causes of problems**
- **Validate recommendations**
- **Develop Implementation plans**